

ISIN Guide

Austraclear

September 2017

Advance ISIN Issuance

Background

- Issuers of discount securities are responsible for applying to the ASX for allocation of ISINs. Generally, the application for an ISIN for discount securities occurs after trading in the security has occurred.
- Where the value of discount securities issued is greater than the original value required by the Issuer, additional (top-up) securities may be issued. Depending on the Issuer process, these securities may either be included in a single ISIN or one or more additional ISINs.
- These processes have a number of downstream impacts in the market that affect settlement safekeeping and asset servicing of discount securities

Advance ISIN issuance

- The ability to apply for ISINs in advance of the issuance of discount securities is functionality available to Issuers in Austraclear.

Benefits

- Front office teams can request an ISIN when executing a trade
- Front office teams can accurately book a trade into back office systems
- Straight through processing of settlement instructions
- Trades can be matched and settled earlier in the business day
- The sale of securities are straight through processed and are settled in a timely manner

Discount Securities advance ISIN issuance for BBSW

Background to change

- BBSW VWAP calculation methodology requires timely reporting of Bank Paper trades that have occurred in the Rate Set Window to the Trade Reporting Agent. Eligible trades that occur in Prime Bank paper during the Rate Set Window must be reported to the Trade Reporting Agent within 20 minutes of the trade being executed or by the close of the trade reporting window at 10:15am.
- There are a number of mandatory fields for Trade Reporting which include ISINs. Prior to 1 July 2017, trades were booked by Prime Bank Issuers (ANZ, CBA, NAB, Westpac) prior to the creation of ISINs in Austraclear.
- So that ISINs are known in advance and included in the Prime Bank trade booking process, a change has been adopted by Prime Bank Issuers utilising existing Austraclear functionality to:
 - Pre-apply for ISINs upfront for a pre-defined period in advance e.g. 12 months
 - Create one ISIN, per Prime Bank issuer, per maturity date
- From 1 July, and ahead of the implementation of the BBSW trade reporting requirements, the Prime Banks have commenced 'rolling' creation of ISINs out to 13 months in advance for short term paper (ECDs).

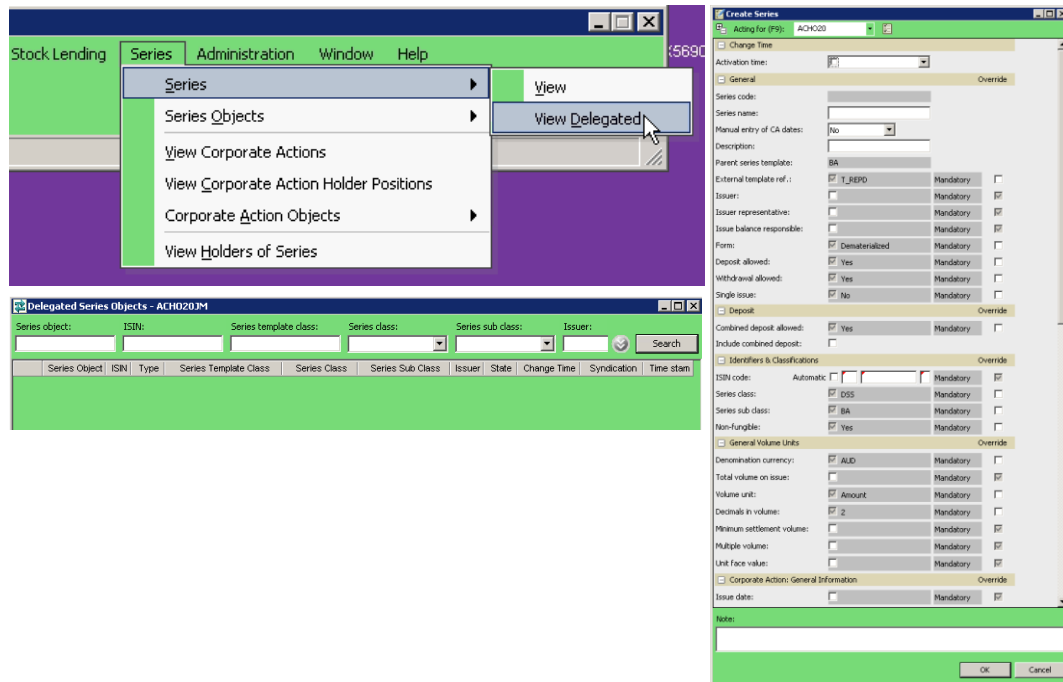
Creating ISINS in advance using Austraclear

Issuing a Discount Security

The ability to create a DSS series is restricted to issuers only. The maturity date of all electronic securities must be at least four business days after the deposit date.

To issue a discount security:

1. Select **Series>Series>View Delegated**. (This opens the Delegated Series Objects screen)
2. Enter the search criteria and click **Search**. (A list of delegated series templates is displayed)
3. Select the required series template.
4. Right-click and select **Create Series**. (This displays the Create Series screen)



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5. Enter the series details and click **OK**.

To create a new series, information is required in the following fields:

General

- Series Code
- Series Name
- Description
- Issuer
- Issuer Representative
- Issue Balance Responsible
- ISIN Code (either select the check box 'Automatic' for ISIN to be automatically generated, or leave blank if ISIN is to be entered manually)

General Volume Units

- Total Volume on Issue
- Minimum Settlement Volume
- Multiple Volume
- Unit Face Value

Corporate Action General Information

- Issue Date
- CA Cash Record Owner
- CA Cash Record
- CA Sub Account

Corporate Action Maturity Information

- Maturity Date
- Maturity Cash Record

Discount Securities

- Drawer
- Prime Name
- Place Payable
- Payee (note this should be 'Bearer' or full name of payee).

Once a new DSS series has been created, participants can view the series details in the Series screen (to see the Series screen select Series>Series>View).

The issuance of Discount Securities requires the Issuer Representatives to create a series from a delegated template and subsequently deposit that series.

For more information on the fields, see the Austraclear User Guide

Accessing ISINs created in advance

There are numerous ways for the market to obtain ISINs created in advance

- Austraclear participants can extract from the Austraclear User Interface using the below steps:
 - Series > Series > View (see Slide 4)
 - Input the search parameters (e.g. ECD) and input the issuer code to get each ISIN; or
 - Search to get all ISINs
- Obtain reports from ASX Online Market Information (<https://www.asxonline.com/Marketinfo/Login>):
 - Hourly ISIN file – contains any new ISINs created
 - OTC ISIN file – contains any ISIN from today that has not matured
 - Please note that ASX Online files will be in CSV format
 - To enquire about a product subscription, please contact Information Services - InfoandTechServices@asx.com.au
- Obtain from Bloomberg in Q4 2017 following completion of their money market automation project.

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Thank you.